

(Reprinted with amendments adopted on April 16, 2019)

FIRST REPRINT

S.B. 201

SENATE BILL NO. 201—SENATORS CANCELA, RATTI, PARKS;
BROOKS, DONDERO LOOP, OHRENSCHALL AND SPEARMAN

FEBRUARY 18, 2019

JOINT SPONSORS: ASSEMBLYMEN
FRIERSON AND YEAGER

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing loans. (BDR 52-568)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to financial services; adopting certain provisions of the federal Military Lending Act; requiring the Commissioner of Financial Institutions to develop, implement and maintain a database storing certain information relating to deferred deposit loans, title loans and high-interest loans made to customers in this State; providing that information in such a database is confidential under certain circumstances; authorizing a person who operates a deposit loan service, title loan service or high-interest loan service to distribute certain information and materials concerning public assistance and services; authorizing the Department of Business and Industry and the Bureau of Consumer Protection in the Office of the Attorney General to inform the public regarding certain information; revising provisions that prohibit the making of a deposit loan or high-interest loan that exceeds or requires payments that exceed a certain percentage of the customer's expected gross monthly income; and providing other matters properly relating thereto.



* S B 2 0 1 R 1 *

Legislative Counsel's Digest:

Existing law establishes standards and procedures governing the licensing and regulation of certain short-term loans, commonly referred to as "payday loans," high-interest loans, title loans and installment loans. (Chapters 604A and 675 of NRS)

The federal Military Lending Act imposes limitations on the terms of consumer credit that is extended to members of the Armed Forces of the United States who are on active duty and their dependents, including, without limitation, a prohibition against a lender charging an interest rate greater than 36 percent. (10 U.S.C. § 987) Existing law adopts the provisions of the federal Military Lending Act by referring to the federal law creating the Act. (NRS 99.050, 604A.411, 675.292) **Sections 15 and 24** of this bill eliminate these provisions and, instead, **sections 2-7, 15 and 17-21** of this bill adopt the language of certain provisions of the Military Lending Act, including language: (1) prohibiting a lender from charging an annual percentage rate greater than 36 percent to a covered service member or a dependent of a covered service member; (2) requiring a lender to make certain disclosures before extending certain consumer credit to a covered service member or a dependent of a covered service member; and (3) prohibiting certain additional loan terms in a transaction with a covered service member or a dependent of a covered service member. **Sections 11 and 22** of this bill require the Commissioner to adopt regulations to administer, carry out and enforce these provisions.

Section 8 of this bill requires the Commissioner of Financial Institutions to develop, implement and maintain, by contract with a vendor or service provider or otherwise, a database of all deferred deposit loans, title loans and high-interest loans in this State, for the purposes of ensuring compliance with existing law governing these types of loans. Under **section 8, a** licensee who makes such loans must report and update certain information concerning each deferred deposit loan, title loan and high-interest loan made by the licensee. **Section 8** further requires the Commissioner to establish a fee which must be charged and collected by the vendor or service provider from a licensee who is required to report the information using the database. The fee is required to be used to pay for the administration and operation of the database. Finally, **sections 8 and 16** of this bill provide that information in the database or obtained by the Commissioner from the database is confidential, except that the Commissioner may use such information for statistical purposes if the identity of a person is not discernible from the information disclosed.

Section 9 of this bill authorizes a person who operates a deferred deposit loan service, high-interest loan service or title loan service to distribute information and materials provided by the Department of Health and Human Services concerning public assistance and services provided by public agencies.

Section 9.5 of this bill authorizes the Department of Business and Industry and the Bureau of Consumer Protection in the Office of the Attorney General to use reasonable means to inform the public regarding certain requirements for persons who offer deferred deposit loan services, high-interest loan services or title loan services through an Internet website to customers in this State.

Existing law prohibits a person who operates a deferred deposit loan service from making a deferred deposit loan that exceeds 25 percent of the expected gross monthly income of the customer when the loan is made. (NRS 604A.5017) Similarly, existing law prohibits a person who operates a high-interest loan service from making a high-interest loan which requires any monthly payment that exceeds 25 percent of the expected gross monthly income of the customer. (NRS 604A.5045) **Sections 12 and 13** of this bill eliminate the ability of a person making a deferred deposit loan or high-interest loan to be deemed in compliance with these limitations if the customer receiving the loan presents evidence of his or her gross



54 monthly income and represents in writing that the loan does not violate these
55 limitations.

56 **Section 23** of this bill provides that the provisions of this bill do not apply to
57 any loan made before October 1, 2019. **Sections 10 and 14** of this bill make
58 conforming changes.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 604A of NRS is hereby amended by
2 adding thereto the provisions set forth as sections 2 to 9.5, inclusive,
3 of this act.

4 **Sec. 2.** *“Consumer credit” means a loan made to a natural*
5 *person to finance the purchase of goods that directly satisfy*
6 *human wants or to defray personal or family expenses, not*
7 *including:*

8 1. *A residential mortgage; or*

9 2. *A loan procured in the course of purchasing a car or other*
10 *personal property, when that loan is offered for the express*
11 *purpose of financing the purchase and is secured by the car or*
12 *personal property procured.*

13 **Sec. 3.** *“Covered service member” means a member of the*
14 *Armed Forces of the United States who is:*

15 1. *On active duty under a call or order to deploy with a*
16 *military unit, or as an individual in support of a military*
17 *operation, for a period of not less than 30 days; or*

18 2. *A member of the National Guard and Reserve on active*
19 *duty orders.*

20 **Sec. 4.** *“Dependent” means:*

21 1. *The spouse of a covered service member;*

22 2. *A child of a covered service member who:*

23 (a) *Is less than 21 years of age;*

24 (b) *Is less than 23 years of age and is enrolled in a full-time*
25 *course of study at an institution of higher learning and is in fact*
26 *dependent on the covered service member for over one-half of the*
27 *child’s support; or*

28 (c) *Is incapable of self-support because of a mental or physical*
29 *incapacity that occurred while the child was a person described by*
30 *paragraph (a) or (b);*

31 3. *A parent or parent-in-law of a covered service member*
32 *who is in fact dependent on the covered service member for over*
33 *one-half of his or her support and who resides in the household of*
34 *the covered service member;*

35 4. *An unmarried person who:*



1 (a) Is placed in the legal custody of the covered service
2 member as a result of an order of a court of competent jurisdiction
3 for a period of at least 12 consecutive months;

4 (b) Is:

5 (1) Less than 21 years of age;

6 (2) Less than 23 years of age and is enrolled in a full-time
7 course of study at an institution of higher learning and is in fact
8 dependent on the covered service member for over one-half of the
9 person's support; or

10 (3) Incapable of self-support because of a mental or
11 physical incapacity that occurred while the person was a person
12 described by subparagraph (1) or (2);

13 (c) Is dependent on the covered service member for over one-
14 half of the person's support;

15 (d) Resides with the covered service member unless separated
16 by the necessity of military service or to receive institutional care
17 as a result of disability or incapacitation or under such other
18 circumstances as the Commissioner may prescribe; and

19 (e) Is not a dependent of a covered service member under
20 subsection 1, 2 or 3.

21 **Sec. 5.** A licensee who makes a loan that constitutes
22 consumer credit to a covered service member or his or her
23 dependent shall not charge the covered service member or
24 dependent an annual percentage rate with respect to the loan
25 except as:

26 1. Agreed to under the terms of the written loan agreement
27 entered into pursuant to NRS 604A.5012, 604A.504 or 604A.5067,
28 as applicable;

29 2. Authorized by applicable state and federal law; and

30 3. Not specifically prohibited by NRS 99.050 and sections 6
31 and 7 of this act.

32 **Sec. 6.** 1. Before making a loan that constitutes consumer
33 credit to a covered service member or a dependent of a covered
34 service member, a licensee shall provide the following information
35 to the covered service member or the dependent of a covered
36 service member, as applicable, both orally and in writing:

37 (a) A statement of the annual percentage rate of interest
38 applicable to the loan;

39 (b) Any disclosures required by the provisions of the Truth in
40 Lending Act and any regulations adopted pursuant thereto; and

41 (c) A clear description of the payment obligations of the
42 covered service member or dependent, as applicable.

43 2. A licensee shall present the disclosures required by
44 subsection 1 in accordance with the provisions of Regulation Z.



1 **Sec. 7.** *A licensee shall not make a loan that constitutes*
2 *consumer credit to a covered service member or a dependent of a*
3 *covered service member with respect to which:*

4 1. *The licensee extends, rolls over, renews, repays, refinances*
5 *or consolidates any consumer credit extended to the customer by*
6 *the same licensee with the proceeds of the other consumer credit*
7 *extended to the same covered service member or dependent;*

8 2. *The customer is required to waive the customer's right to*
9 *legal recourse under any otherwise applicable provision of state or*
10 *federal law, including, without limitation, any provision of the*
11 *Servicemembers Civil Relief Act, 50 U.S.C. §§ 3901 et seq.;*

12 3. *The licensee imposes onerous legal notice provisions in the*
13 *case of a dispute or demands unreasonable notice from the*
14 *customer as a condition for legal action;*

15 4. *The licensee uses a check or other method of access to a*
16 *deposit, savings or other financial account maintained by the*
17 *customer, or the title of a vehicle as security for the obligation;*

18 5. *The licensee requires as a condition for the extension of*
19 *consumer credit that the customer establish an allotment to repay*
20 *an obligation; or*

21 6. *The customer is prohibited from prepaying the loan or is*
22 *charged a penalty or fee for prepaying all or part of the loan.*

23 **Sec. 8.** 1. *The Commissioner shall, by contract with a*
24 *vendor or service provider or otherwise, develop, implement and*
25 *maintain a database by which the Commissioner and licensees*
26 *may obtain information related to deferred deposit loans, title*
27 *loans and high-interest loans made by licensees to customers in*
28 *this State to ensure compliance with the provisions of this chapter.*
29 *The information the Commissioner and licensees may obtain*
30 *includes, without limitation:*

31 (a) *Whether a customer has a deferred deposit loan, title loan*
32 *or high-interest loan outstanding with more than one licensee;*

33 (b) *Whether a customer has had such a loan outstanding with*
34 *one or more licensees within the 30 days immediately preceding*
35 *the making of a loan;*

36 (c) *Whether a customer has had a total of three or more such*
37 *loans outstanding with one or more licensees within the 6 months*
38 *immediately preceding the making of the loan; and*

39 (d) *Any other information necessary to determine whether a*
40 *licensee has complied with the provisions of this chapter.*

41 2. *After the development and implementation of the database*
42 *created pursuant to subsection 1, a licensee who makes a deferred*
43 *deposit loan, title loan or high-interest loan shall enter or update*
44 *the following information in the database for each such loan made*
45 *to a customer at the time a transaction takes place:*



- 1 (a) *The date on which the loan was made;*
- 2 (b) *The type of loan made;*
- 3 (c) *The principal amount of the loan;*
- 4 (d) *The fees charged for the loan;*
- 5 (e) *The annual percentage rate of the loan;*
- 6 (f) *The total finance charge associated with the loan;*
- 7 (g) *If the customer defaults on the loan, the date of default;*
- 8 (h) *If the customer enters into a repayment plan pursuant to*
9 *NRS 604A.5027, 604A.5055 or 604A.5083, as applicable, the date*
10 *on which the customer enters into the repayment plan; and*
- 11 (i) *The date on which the customer pays the loan in full.*

12 3. *The Commissioner shall establish, and cause the vendor or*
13 *service provider administering the database created pursuant to*
14 *subsection 1 to charge and collect, a fee for each loan entered into*
15 *the database by the licensee. The money collected pursuant to this*
16 *subsection must be used to pay for the operation and*
17 *administration of the database.*

18 4. *Except as otherwise provided in this subsection, any*
19 *information in the database created pursuant to subsection 1 is*
20 *confidential and shall not be considered a public book or record*
21 *pursuant to NRS 239.010. The information may be used by the*
22 *Commissioner for statistical purposes if the identity of the persons*
23 *is not discernible from the information disclosed.*

24 5. *The Commissioner shall adopt regulations that:*

25 (a) *Prescribe the specifications for the information entered*
26 *into the database created pursuant to subsection 1;*

27 (b) *Establish standards for the retention, access, reporting,*
28 *archiving and deletion of information entered into or stored by the*
29 *database;*

30 (c) *Establish the amount of the fee required pursuant to*
31 *subsection 3; and*

32 (d) *Are necessary for the administration of the database.*

33 **Sec. 9.** *A person who operates a deferred deposit loan*
34 *service, high-interest loan service or title loan service may, in*
35 *consultation with the Department of Health and Human Services,*
36 *distribute in a location at which the person conducts business*
37 *under his or her license information and materials provided by the*
38 *Department concerning public assistance and services provided by*
39 *an agency or political subdivision of this State or the United*
40 *States, including, without limitation, programs for debt reduction*
41 *or relief, Medicaid, Supplemental Nutrition Assistance and*
42 *Temporary Assistance for Needy Families.*

43 **Sec. 9.5.** 1. *To the extent of available funding, the*
44 *Department of Business and Industry and the Bureau of*
45 *Consumer Protection in the Office of the Attorney General may*



1 *use reasonable means to inform the public that, pursuant to NRS*
2 *604A.579, 604A.589 and 604A.598, a person who offers deferred*
3 *deposit loan services, high-interest loan services or title loan*
4 *services through an Internet website to customers in this State*
5 *must be licensed to perform such services pursuant to this chapter*
6 *and must comply with any state or federal law or regulation*
7 *applicable to this State.*

8 2. *As used in this section, "reasonable means" includes,*
9 *without limitation, advertising through any medium, including,*
10 *without limitation, radio, television, Internet, banner ads, social*
11 *media, public service announcements, community education,*
12 *publishing and such other means of distributing information as*
13 *are reasonably calculated to inform the public of the information*
14 *set forth in subsection 1.*

15 **Sec. 10.** NRS 604A.010 is hereby amended to read as follows:

16 604A.010 As used in this chapter, unless the context otherwise
17 requires, the words and terms defined in NRS 604A.015 to
18 604A.125, inclusive, *and sections 2, 3 and 4 of this act* have the
19 meanings ascribed to them in those sections.

20 **Sec. 11.** NRS 604A.300 is hereby amended to read as follows:

21 604A.300 1. The Commissioner may establish by regulation
22 the fees that a licensee who provides check-cashing services may
23 impose for cashing checks.

24 2. The Commissioner shall adopt ~~any~~:

25 *(a) Regulations to administer, carry out and enforce the*
26 *provisions of sections 5, 6 and 7 of this act.*

27 *(b) Any other regulations as are necessary to carry out the*
28 *provisions of this chapter.*

29 **Sec. 12.** NRS 604A.5017 is hereby amended to read as
30 follows:

31 604A.5017 ~~[1.]~~ A licensee who operates a deferred deposit
32 loan service shall not make a deferred deposit loan that exceeds 25
33 percent of the expected gross monthly income of the customer when
34 the loan is made.

35 ~~[2.— A licensee who operates a deferred deposit loan service is~~
36 ~~not in violation of the provisions of this section if the customer~~
37 ~~presents evidence of his or her gross monthly income to the licensee~~
38 ~~and represents to the licensee in writing that the deferred deposit~~
39 ~~loan does not exceed 25 percent of the customer's expected gross~~
40 ~~monthly income when the loan is made.]~~

41 **Sec. 13.** NRS 604A.5045 is hereby amended to read as
42 follows:

43 604A.5045 ~~[1.]~~ A licensee who operates a high-interest loan
44 service shall not make a high-interest loan which, under the terms of



1 the loan agreement, requires any monthly payment that exceeds 25
2 percent of the expected gross monthly income of the customer.

3 ~~[2.— A licensee who operates a high interest loan service is not
4 in violation of the provisions of this section if the customer presents
5 evidence of his or her gross monthly income to the licensee and
6 represents to the licensee in writing that the monthly payment
7 required under the terms of the loan agreement for the high interest
8 loan does not exceed 25 percent of the customer's expected gross
9 monthly income.]~~

10 **Sec. 14.** NRS 604A.930 is hereby amended to read as follows:

11 604A.930 1. Subject to the affirmative defense set forth in
12 subsection 3, in addition to any other remedy or penalty, if a person
13 violates any provision of NRS 604A.400, ~~[604A.411.]~~ 604A.5011 to
14 604A.5034, inclusive, and 604A.5038 to 604A.5094, inclusive,
15 604A.610, 604A.615, 604A.650, ~~[or]~~ 604A.655 *or section 5, 6 or 7*
16 *of this act* or any regulation adopted pursuant thereto, the customer
17 may bring a civil action against the person for:

18 (a) Actual and consequential damages;

19 (b) Punitive damages, which are subject to the provisions of
20 NRS 42.005;

21 (c) Reasonable attorney's fees and costs; and

22 (d) Any other legal or equitable relief that the court deems
23 appropriate.

24 2. Subject to the affirmative defense set forth in subsection 3,
25 in addition to any other remedy or penalty, the customer may bring a
26 civil action against a person pursuant to subsection 1 to recover an
27 additional amount, as statutory damages, which is equal to \$1,000
28 for each violation if the person knowingly:

29 (a) Operates a check-cashing service, deferred deposit loan
30 service, high-interest loan service or title loan service without a
31 license, in violation of NRS 604A.400;

32 (b) Fails to include in a loan agreement a disclosure of the right
33 of the customer to rescind the loan, in violation of NRS 604A.5012,
34 604A.504 or 604A.5067, as applicable;

35 (c) Violates any provision of NRS 604A.5015, 604A.5043,
36 604A.507 or 604A.509, as applicable;

37 (d) Accepts collateral or security for a deferred deposit loan, in
38 violation of NRS 604A.502, except that a check or written
39 authorization for an electronic transfer of money shall not be
40 deemed to be collateral or security for a deferred deposit loan;

41 (e) Uses or threatens to use the criminal process in this State or
42 any other state to collect on a loan made to the customer, in
43 violation of NRS 604A.5021, 604A.5049 or 604A.5072, as
44 applicable;



1 (f) Includes in any written agreement a promise by the customer
2 to hold the person harmless, a confession of judgment by the
3 customer or an assignment or order for the payment of wages or
4 other compensation due the customer, in violation of NRS
5 604A.5021, 604A.5049, 604A.5072 or 604A.5092, as applicable;

6 (g) Violates any provision of NRS 604A.503, 604A.5058 or
7 604A.5085, as applicable;

8 (h) Violates any provision of NRS 604A.5031, 604A.5061,
9 604A.5086 or 604A.5094, as applicable; or

10 (i) Violates any provision of ~~NRS 604A.411.~~ *section 5, 6 or 7*
11 *of this act.*

12 3. A person may not be held liable in any civil action brought
13 pursuant to this section if the person proves, by a preponderance of
14 evidence, that the violation:

15 (a) Was not intentional;

16 (b) Was technical in nature; and

17 (c) Resulted from a bona fide error, notwithstanding the
18 maintenance of procedures reasonably adapted to avoid any such
19 error.

20 4. For the purposes of subsection 3, a bona fide error includes,
21 without limitation, clerical errors, calculation errors, computer
22 malfunction and programming errors and printing errors, except that
23 an error of legal judgment with respect to the person's obligations
24 under this chapter is not a bona fide error.

25 **Sec. 15.** NRS 99.050 is hereby amended to read as follows:

26 99.050 *1.* Except as otherwise provided in ~~section 670 of the~~
27 ~~John Warner National Defense Authorization Act for Fiscal Year~~
28 ~~2007, Public Law 109-364, or any regulation adopted pursuant~~
29 ~~thereto,~~ *subsection 2,* parties may agree for the payment of any rate
30 of interest on money due or to become due on any contract, for the
31 compounding of interest if they choose, and for any other charges or
32 fees. The parties shall specify in writing the rate upon which they
33 agree, that interest is to be compounded if so agreed, and any other
34 charges or fees to which they have agreed.

35 *2. A creditor shall not charge an annual percentage rate of*
36 *greater than 36 percent with respect to the consumer credit*
37 *extended to a covered service member or a dependent of a covered*
38 *service member. Any contract or agreement in violation of this*
39 *subsection is void and unenforceable.*

40 *3. As used in this section:*

41 (a) *“Annual percentage rate” has the meaning ascribed to it in*
42 *the federal Truth in Lending Act, as amended, 15 U.S.C. §§ 1601*
43 *et seq., and the federal regulations adopted pursuant thereto.*

44 (b) *“Consumer credit” has the meaning ascribed to it in*
45 *section 2 of this act.*



1 (c) "Covered service member" has the meaning ascribed to it
2 in section 3 of this act.

3 (d) "Dependent" has the meaning ascribed to it in section 4 of
4 this act.

5 **Sec. 16.** NRS 239.010 is hereby amended to read as follows:

6 239.010 1. Except as otherwise provided in this section and
7 NRS 1.4683, 1.4687, 1A.110, 3.2203, 41.071, 49.095, 49.293,
8 62D.420, 62D.440, 62E.516, 62E.620, 62H.025, 62H.030, 62H.170,
9 62H.220, 62H.320, 75A.100, 75A.150, 76.160, 78.152, 80.113,
10 81.850, 82.183, 86.246, 86.54615, 87.515, 87.5413, 87A.200,
11 87A.580, 87A.640, 88.3355, 88.5927, 88.6067, 88A.345, 88A.7345,
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19 640C.400, 640C.600, 640C.620, 640C.745, 640C.760, 640D.190,
20 640E.340, 641.090, 641.325, 641A.191, 641A.289, 641B.170,
21 641B.460, 641C.760, 641C.800, 642.524, 643.189, 644A.870,
22 645.180, 645.625, 645A.050, 645A.082, 645B.060, 645B.092,
23 645C.220, 645C.225, 645D.130, 645D.135, 645E.300, 645E.375,
24 645G.510, 645H.320, 645H.330, 647.0945, 647.0947, 648.033,
25 648.197, 649.065, 649.067, 652.228, 654.110, 656.105, 661.115,
26 665.130, 665.133, 669.275, 669.285, 669A.310, 671.170, 673.450,
27 673.480, 675.380, 676A.340, 676A.370, 677.243, 679B.122,
28 679B.152, 679B.159, 679B.190, 679B.285, 679B.690, 680A.270,
29 681A.440, 681B.260, 681B.410, 681B.540, 683A.0873, 685A.077,
30 686A.289, 686B.170, 686C.306, 687A.110, 687A.115, 687C.010,
31 688C.230, 688C.480, 688C.490, 689A.696, 692A.117, 692C.190,
32 692C.3507, 692C.3536, 692C.3538, 692C.354, 692C.420,
33 693A.480, 693A.615, 696B.550, 696C.120, 703.196, 704B.320,
34 704B.325, 706.1725, 706A.230, 710.159, 711.600, *and section 8 of*
35 *this act*, sections 35, 38 and 41 of chapter 478, Statutes of Nevada
36 2011 and section 2 of chapter 391, Statutes of Nevada 2013 and
37 unless otherwise declared by law to be confidential, all public books
38 and public records of a governmental entity must be open at all
39 times during office hours to inspection by any person, and may be
40 fully copied or an abstract or memorandum may be prepared from
41 those public books and public records. Any such copies, abstracts or
42 memoranda may be used to supply the general public with copies,
43 abstracts or memoranda of the records or may be used in any other
44 way to the advantage of the governmental entity or of the general
45 public. This section does not supersede or in any manner affect the



1 federal laws governing copyrights or enlarge, diminish or affect in
2 any other manner the rights of a person in any written book or
3 record which is copyrighted pursuant to federal law.

4 2. A governmental entity may not reject a book or record
5 which is copyrighted solely because it is copyrighted.

6 3. A governmental entity that has legal custody or control of a
7 public book or record shall not deny a request made pursuant to
8 subsection 1 to inspect or copy or receive a copy of a public book or
9 record on the basis that the requested public book or record contains
10 information that is confidential if the governmental entity can
11 redact, delete, conceal or separate the confidential information from
12 the information included in the public book or record that is not
13 otherwise confidential.

14 4. A person may request a copy of a public record in any
15 medium in which the public record is readily available. An officer,
16 employee or agent of a governmental entity who has legal custody
17 or control of a public record:

18 (a) Shall not refuse to provide a copy of that public record in a
19 readily available medium because the officer, employee or agent has
20 already prepared or would prefer to provide the copy in a different
21 medium.

22 (b) Except as otherwise provided in NRS 239.030, shall, upon
23 request, prepare the copy of the public record and shall not require
24 the person who has requested the copy to prepare the copy himself
25 or herself.

26 **Sec. 17.** Chapter 675 of NRS is hereby amended by adding
27 thereto the provisions set forth as sections 18, 19 and 20 of this act.

28 **Sec. 18.** *A licensee who makes a loan under this chapter that*
29 *constitutes consumer credit to a covered service member or his or*
30 *her dependent shall not charge the covered service member or*
31 *dependent an annual percentage rate with respect to the loan*
32 *except as:*

- 33 1. *Agreed to under the terms of the loan agreement;*
34 2. *Authorized by applicable state and federal law; and*
35 3. *Not specifically prohibited by NRS 99.050 and sections 19*
36 *and 20 of this act.*

37 **Sec. 19.** 1. *Before making a loan under this chapter that*
38 *constitutes consumer credit to a covered service member or a*
39 *dependent of a covered service member, a licensee shall provide*
40 *the following information to the covered service member or the*
41 *dependent of a covered service member, as applicable, both orally*
42 *and in writing:*

43 (a) *A statement of the annual percentage rate applicable to the*
44 *loan;*



1 (b) Any disclosures required by the provisions of the Truth in
2 Lending Act and any regulations adopted pursuant thereto; and

3 (c) A clear description of the payment obligations of the
4 covered service member or dependent, as applicable.

5 2. A licensee shall present the disclosures required by
6 subsection 1 in accordance with the provisions of Regulation Z.

7 3. As used in this section:

8 (a) "Regulation Z" has the meaning ascribed to it in
9 NRS 604A.090.

10 (b) "Truth in Lending Act" has the meaning ascribed to it in
11 NRS 604A.120.

12 **Sec. 20.** A licensee shall not make a loan under this chapter
13 that constitutes consumer credit to a covered service member or a
14 dependent of a covered service member with respect to which:

15 1. The borrower is required to waive the borrower's right to
16 legal recourse under any otherwise applicable provision of state or
17 federal law, including, without limitation, any provision of the
18 Servicemembers Civil Relief Act, 50 U.S.C. §§ 3901 et seq.;

19 2. The licensee imposes onerous legal notice provisions in the
20 case of a dispute or demands unreasonable notice from the
21 borrower as a condition for legal action;

22 3. The licensee uses a check or other method of access to a
23 deposit, savings or other financial account maintained by the
24 borrower, or the title of a vehicle as security for the obligation;

25 4. The licensee requires as a condition for the extension of
26 consumer credit that the borrower establish an allotment to repay
27 an obligation; or

28 5. The borrower is prohibited from prepaying the loan or is
29 charged a penalty or fee for prepaying all or part of the loan.

30 **Sec. 21.** NRS 675.020 is hereby amended to read as follows:

31 675.020 As used in this chapter, unless the context otherwise
32 requires:

33 1. "Amount of cash advance" means the amount of cash or its
34 equivalent actually received by a borrower or paid out at his or her
35 direction or on his or her behalf.

36 2. "Amount of loan obligation" means the amount of cash
37 advance plus the aggregate of charges added thereto pursuant to
38 authority of this chapter.

39 3. "Commissioner" means the Commissioner of Financial
40 Institutions.

41 4. "Community" means a contiguous area of the same
42 economic unit or metropolitan area as determined by the
43 Commissioner, and may include all or part of a city or several towns
44 or cities.



1 5. *“Consumer credit” has the meaning ascribed to it in*
2 *section 2 of this act.*

3 6. *“Covered service member” has the meaning ascribed to it*
4 *in section 3 of this act.*

5 7. *“Dependent” has the meaning ascribed to it in section 4 of*
6 *this act.*

7 8. “License” means a license, issued under the authority of this
8 chapter, to make loans in accordance with the provisions of this
9 chapter, at a single place of business.

10 ~~6.~~ 9. “Licensee” means a person to whom one or more
11 licenses have been issued.

12 **Sec. 22.** NRS 675.170 is hereby amended to read as follows:

13 675.170 1. The Commissioner ~~may~~

14 (a) *May* adopt regulations and make orders for the
15 administration and enforcement of this chapter, in addition hereto
16 and not inconsistent herewith.

17 (b) *Shall adopt regulations to administer, carry out and*
18 *enforce the provisions of sections 18, 19 and 20 of this act.*

19 2. Every regulation must be promulgated by an order, and any
20 ruling, demand, requirement or similar administrative act may be
21 promulgated by an order.

22 3. Every order must be in writing, must state its effective date
23 and the date of its promulgation, and must be entered in an indexed
24 permanent book which is a public record.

25 4. A copy of every order promulgating a regulation and of
26 every other order containing a requirement of general application
27 must be mailed to each licensee at least 20 days before the effective
28 date thereof.

29 **Sec. 23.** The amendatory provisions of this act do not apply to
30 any contract or agreement for the extension of credit entered into
31 before October 1, 2019, and any such contract or agreement remains
32 in effect in accordance with the provisions of the contract or
33 agreement.

34 **Sec. 24.** NRS 604A.411 and 675.292 are hereby repealed.

35 **Sec. 25.** This act becomes effective:

36 1. Upon passage and approval for the purpose of adopting any
37 regulations and performing any other preparatory administrative
38 tasks that are necessary to carry out the provisions of this act; and

39 2. On October 1, 2019, for all other purposes.



TEXT OF REPEALED SECTIONS

604A.411 Violation of provision of federal Warner Act constitutes violation of chapter. Notwithstanding any other provision of law, a violation of any provision of section 670 of the John Warner National Defense Authorization Act for Fiscal Year 2007, Public Law 109-364, or any regulation adopted pursuant thereto shall be deemed to be a violation of this chapter.

675.292 Violation of federal law constitutes violation of chapter. Notwithstanding any other provision of law, a violation of any provision of section 670 of the John Warner National Defense Authorization Act for Fiscal Year 2007, Public Law 109-364, or any regulation adopted pursuant thereto shall be deemed to be a violation of this chapter.

